MEMORANDUM

TO: Charlene Spells, EPA/OAQPS/SPPD/FIG

FROM: David Hendricks, EC/R, Inc.

DATE: October 29, 2015

SUBJECT: Summary of the October 22, 2015, Meeting with the American Petroleum Institute (API) and the U.S. Environmental Protection Agency

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I. INTRODUCTION

The American Petroleum Institute (API) requested this meeting with EPA to present an overview of their comments on the September 18, 2015 proposed Oil and Natural Gas Sector NSPS (80 FR 56593), draft CTG (80 FR 56577), proposed Source Determination Rule (80 FR 56579), and proposed FIP for EPA's Indian Country Minor NSR program. This summary addresses the discussion on the first three actions.

II. ATTENDEES

The following is a list of participants in the meeting.

U.S. Environmental Protection Agency
Jameel Alsalam (by phone)
Carey Bylin
David Cozzie
Amy Hambrick
Jodi Howard
Bruce Moore
Greg Nizich
Charlene Spells
Lisa Thompson
Cheryl Vetter
Suzie Waltzer (by phone)
Matthew Witosky

API and Member Organizations
Jeff Adams, BP
Shankar Ananthakrishna, Chevron Corporation
Adam Berig, Encana Corporation
Jim Callan, WPX Energy
Grover Campbell, Devon Energy
Jim Cooper, Chesapeake Energy Corporation
Nico Hoshijo, WPX Energy
Bob King, WPX Energy
Tom Monahan, Exxon Mobil Corporation
Dennis Newman, Occidental Oil and Gas Corporation
Phil Norwood, ERM
Vanessa Ryan, Chevron Corporation
Matt Todd, API
Erin Tullos, Exxon Mobil Corporation
John Wagner, API
Jenny Yang, ConocoPhillips
Jason Zapalac, Anadarko Petroleum Corporation
Angela Zivkovich, Anadarko Petroleum Corporation

EC/R Incorporated
David Hendricks (by phone)
Joanne O'Loughlin (by phone)

III. SUMMARY OF DISCUSSION

Bruce Moore opened the meeting and explained to the attendees that since the EPA is in the post-proposal phase of the NSPS and CTG, EPA personnel would listen to their comments but cannot respond to any of the issues raised. However, the EPA welcomed the comments. The attendees offered the following comments.

Source Determination Rule

- Of the two alternatives proposed, API prefers the first option (define adjacent based on proximity) along with considering proximity and utilizing a common sense notion of "plant" as discussed in *Alabama Power*.

- Would like to have "daisy chain" effect of aggregating sources to be specifically addressed with respect to well sites.

NSPS Proposal

- Permitting issues related to regulating methane
    - Regulating methane in the NSPS should not trigger PSD or Title V because significance level for these actions are defined in terms of aggregate GHGs, not methane. This issue is addressed in the preamble to subpart TTTT, pp. 608-612.
    - Industry would like explicit language in the rule stating that regulation of methane does not trigger NSPS or Title V.

- Next Gen Compliance Provisions
    - Electronic reporting tool (ERT) is source specific, which does not easily integrate with the area reporting allowed in the proposed NSPS.
    - ERT requires registration of each facility, which would require registration of each and every wellsite. This would be extremely burdensome.

- Oil Well Completions
    - Expressed support for the 300 GOR threshold.
    - API will provide additional comments on the low pressure well definition (did not specify what issues they had)
    - Will the amendments related to combustion control device testing be applied retroactively to devices that have already passed testing under the current requirements?
    - The proposed NSPS specifies that 95 percent control is measured on a mass basis. API recommends changing this to a volume basis so that flow rate does not have to be measured.

- Pneumatic Pumps
    - API will address technical infeasibility of controlling small chemical injection pumps in their comments.
    - Some pumps operate only a few strokes per hour and do not generate enough emission flow pressure to get the emissions to a control device.
    - Would like an exemption for small pumps.
    - Would like an exemption for transfer pumps.
    - Pointed out that cost effectiveness was determined using a flow rate of 2 cfh, but pneumatic controllers are allowed to emit 6 cfh. This appeared incongruous.
    - Expressed concern about the situation where the existing onsite control device was not originally installed in response to subpart OOOO or OOOOa and may not be permitted. The proposed rule would require pneumatic pumps at this site to be controlled because of the existing control device. Would that control device now be subject to the 95 percent control requirements in subpart OOOOa and associated recordkeeping, reporting, and monitoring? Would the owner be

allowed to remove the control device in the future if no longer needed for its original purpose?

- Controls for Storage Vessels and Pumps
    - Rather than having separate fugitive monitoring requirements as specified in the closed vent system requirements, the proposed fugitive emissions monitoring provisions should apply instead.
    - Reiterated their concern about using propene rather than propane for control device testing.
    - In another situation related to using existing control devices for controlling emissions from pneumatic pumps, API expressed concern about a situation where the existing control device is required under subpart OOOO or OOOOa for controlling storage vessel emissions. The rule allows the control device to be removed if the storage vessel emissions remain below 4 tpy. Could the control device still be removed if it is also controlling emissions from pneumatic pumps?

- Fugitive Emissions Monitoring Program
    - Expressed significant concern about the level of detail required in the monitoring plan. Recordkeeping and reporting is too detailed and is unnecessary.
    - Requested that there be no change in monitoring frequency based on monitoring results. Prefer annual monitoring.
    - If a facility is subject to enforceable state requirements, the facility should be exempt from the NSPS requirements. No equivalency determination should be required. Recommended that a facility would not be an affected facility is enforceable state regulations apply.
    - Recommended that applicability for a well site require that additional equipment other than just the wellhead be present.
    - Recommended an applicability threshold based on number of components, and an offramp if the number of components is reduced below that number.
    - Disagreed that fracturing or refracturing a well triggers a modification since the surface equipment does not change.
    - Recommended that no time limit be specified for repairs. Many repairs would require the well to be shut in, which could cost over $100,000 to fix a single small leak. Recommended that repairs occur at the next shutdown.
    - Recommended soap bubble verification of repairs instead of OGI.
    - Questioned why emissions have to be reduced to 500 ppm after repair when the OGI detection level is considered to be 10,000 ppm.
    - Recommended that the rule be flexible enough to allow newly developed detection technologies to be used without having to go through an equivalency determination.

    - Developing a monitoring plan at the corporate level and the facility level is not necessary.
    - Initial monitoring at a well site should occur 30 days after startup of production, not 30 days after completion.

- Comments on the CTG
    - No VOC content thresholds are specified for fugitives monitoring or compressors. There are situations where the gas emitted is almost exclusively methane. Recommended that there be a minimum VOC content threshold. This would also apply to natural gas driven operations like pumps and pneumatic controllers.
    - Cost of retrofitting storage vessels was not accurately represented. In many situations the tank will have to be replaced.
    - The CTG should include the same provisions as in the NSPS to remove controls from storage vessels if emissions remain below 4 tpy.
    - Compliance provisions are more stringent than the NSPS.